

Kerala Gazette No. 46 dated 24th November 2015.

PART I



GOVERNMENT OF KERALA

Abstract

APPLICATION FOR CLOSURE OF M/s BINANI ZINC LIMITED, BINANIPURAM—REVIEW
PETITION AGAINST G.O. (Rt.) No. 1055/2015/LBR DATED, 30-7-2015—REJECTED—
ORDERS ISSUED

LABOUR AND SKILLS (A) DEPARTMENT

G. O. (Rt.) No. 1424/2015/LBR. *Dated, Thiruvananthapuram, 16th October 2015.*

Read:—(1) G. O. (Rt.) No. 1055/2015/LBR dated 30-7-2015.

- (2) Review Petition of Sri Sushil Bhattar, Managing Director,
M/s Binani Zinc Limited, Binanipuram-683 502.
- (3) Letter No. I(2) 10927/2015 dated 19-9-2015 from the Labour
Commissioner, Thiruvananthapuram.

ORDER

The Government in its order read as 1st paper above refused to grant permission to close down the undertaking Binani Zinc Limited as the company failed to furnish sufficient reason in support of their position. Aggrieved by this the Managing Director, Binani Zinc Limited filed a review petition before the Government requesting to review the Government Order.

The Management of M/s Binani Zinc Limited and its Union Leaders were heard by the Principal Secretary, Labour and Skills Department on 23-9-2015. The company presented its arguments for closure of the unit. The main reason furnished by the company are cost escalation, volatile markets, fiscal policy of

Government of India and the losses suffered by the company in the last 5 years. The company stated that due to these reasons the unit was non-viable and they had no cash to run the company.

The Union Leader stated that the main reason for the ill health of the company was due to diversion of funds to other organization under the same group. If those funds are returned then company would be back on rails.

It is seen that a sum of ` 64 Crores (Rupees Sixty Four Crores) was transferred to Binani Zinc's parent company. To a question why these funds were transferred, the management that the transfer was made for effecting investments.

It is observed that the reason putforth for closure by the management are not unique to Binani Zinc alone. These are simply general reasons putforth by all managements whenever their organizations are in trouble. It is the job of any professional management to tackle such issues. On the other hand, the management has not given any credible explanation for diverting a huge amount as inter-corporate deposit to another company. If the diverted funds were utilized effectively, then Binani Zinc would probably be in a better position today than it is now. It appears that the management of Binani Zinc is not acting in good faith.

Under the circumstances Government rejects the review petition filed by the management of M/s Binani Zinc Limited invoking Sub Section (5) of Section 25 (o) of the Industrial Disputes Act, 1947.

By order of the Governor,

TOM JOSE,

Principal Secretary to Government.

To

1. The Labour Commissioner, Thiruvananthapuram.
2. The Managing Director, M/s Binani Zinc Limited, Binanipuram-683 502.
3. The Joint Trade Union Council, M/s Binani Zinc Limited, Binanipuram-683 502.
4. The District Labour Officer, Ernakulam.
5. The Regional Joint Labour Commissioner, Ernakulam.
6. Stock File/Office copy.